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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 000389

SIPDIS

DEPT FOR SCA/INS

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TAGS: [PGOV](#) [PTER](#) [KDEM](#) [NP](#)

SUBJECT: NEPAL: LEAKED VIDEO SPARKS "PRACHANDAGATE"

REF: A. KATHMANDU 377

[1](#)B. 08 KATHMANDU 308

Classified By: Ambassador Nancy J. Powell. Reasons 1.4 (b/d).

Summary

[1](#)1. (C) On May 4, a Nepalese television station released a video of Maoist leader Pushpa Dahal addressing a group of Maoist combatants at a cantonment in Chitwan on January 2, [1](#)2008. On May 6, Dahal defended his actions in a press conference.

In the 2008 video, Dahal claimed that:

- The real strength of the People's Liberation Army (PLA) was between 7,000 and 8,000, not 35,000 as publicly claimed by the Maoists.

- The Maoists intended to siphon off money for the administration of the cantonments for the preparation of future hostilities.

- The Constituent Assembly (CA) election and integration of Maoists into the Nepal Army would be a stepping stone toward full power.

In the May 6 press conference, Dahal claimed that:

- The video was a pep talk for the combatants at a time when the CA election was not yet certain and should not be taken out of context.

- The Maoists were and continue to be committed to the peace process.

A Video Revealed - False Numbers

[1](#)2. (SBU) On May 4 -- just hours after Pushpa Kamal Dahal resigned as Prime Minister -- Image Channel TV, an independent Nepalese television station, released a video of Dahal addressing a group of Maoist People's Liberation Army (PLA) commanders and combatants at Shatikhor cantonment in Chitwan on January 2, 2008. In the 80-minute speech, recorded three months before the April 10 Constituent

Assembly (CA) election, Dahal boasted that the Maoists had manipulated the verification process of the United Nations Mission in Nepal (UNMIN). He said that contrary to popular belief, the PLA had increased rather than reduced its strength through the verification process. The Maoists had claimed 35,000 combatants, almost 20,000 of which UNMIN verified. Dahal said the PLA's true strength was between 7,000 and 8,000, of which only 4,000 would have been verified if UNMIN had known the truth. UNMIN spokesman Kosmos Biswokarma said on May 6 that the Maoists did not fool UNMIN because the Joint Monitoring Coordination Committee, including representatives of the PLA and Nepal Army, followed due process with the trust of the political parties, which led to UNMIN's final count. Biswokarma said there was no disagreement or slip up in the verification process.

#### A Video Revealed - Embezzlement

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¶3. (SBU) In the video, Dahal further explained that the Maoists would need the money that the Government of Nepal (GON) was to provide for cantonment administration -- approximately USD 7.5 million -- to prepare for revolt. He said that the first 100 million rupees (USD 1.25 million) would be for trucking in "stuff" -- i.e., weapons and other material for war. In total, one third of the money earmarked for cantonments would be used to further the goal of control of the state. The additional money that would go to the families of martyrs would help repair the party's deteriorating relations with the common people. Describing his strategy for winning the CA election, Dahal said that the

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Maoists would tell families that 100,000 rupees would be provided as relief, and that they would be able to receive a "full compensation" of one million rupees if they supported the party. (Note: Ref B describes the World Bank's proposal to fund 100,000 rupees -- approximately USD 1500 at the time -- for each of the 14,000 victims and families of martyrs. In August 2008, the World Bank's Emergency Peace Support Program gave more than 3 billion rupees -- almost USD 40 million -- to the GON to pay the allowances of the former combatants and relief to victims' families. End note.)

#### A Video Revealed - Full Power the Ultimate Goal

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¶4. (SBU) Dahal reminded the combatants that the revolution was not over and that the Maoists would seize power whether through the ballot or through protests. He promised that the party had not forsaken its ultimate goal and asked his cadres not to be swayed by compromises the Maoists struck with other parties. He acknowledged that some Maoists might think that their leaders were having "tea with enemies," forgetting the revolutionary agenda, but the reality was the opposite. Dahal said that the Maoists would use integration to subvert the Nepal Army into an instrument to establish a totalitarian Maoist regime. The soon-to-be Prime Minister said he believed he could "indoctrinate the National Army and make them ours" -- and that was why Chief of the Army Staff Katawal opposed integration.

#### An Explanation Attempted

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¶5. (C) In a press conference on May 6, Dahal made a weak attempt to explain away the video as something from 16 months ago that was now irrelevant. Dahal said that he was speaking to the PLA to raise morale amid the uncertainty of holding CA elections. He did not intend to cast doubt about the Maoists' commitment to the peace process. Defending the numbers, he said that counting the Maoists' regional armies and its militia, the real PLA was 100,000 strong. The several thousand mentioned in the video referred only to the functional force under the Maoist central command. Earlier in the day, he told the Ambassador and several other foreign

envoys that his remarks in the video had been taken out of context (Ref A).

A Mystery Source  
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¶6. (C) During the press conference, Dahal accused "reactionary elements" who wanted to divert public attention from their "unconstitutional" move against the elected government for circulating the videotape to the media. The caretaker Prime Minister said he would launch an internal inquiry about the leaked tape. On May 7, Image FM quoted an unnamed Maoist source and reported that the party had detained for interrogation "suspicious people" involved in shooting Maoist videos. Former Finance Minister Dr. Prakash Chandra Lohani told Emboff on May 5 that the television station had had a copy of the tape for "a while." Media reports on May 7 claimed that the Nepal Army released the video to the media with approval from President Yadav. Others believe it was released by RAW, Indian intelligence.

Comment  
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¶7. (C) PM Dahal's swift response to the video and his pronouncement to the media that the next government would be formed under Maoist leadership suggest that the Maoists appear determined to push through the current crisis. The full extent of the ramifications of "Prachandagate" -- as some local media are calling the tape controversy -- will reveal itself over the coming days. All of the then-governing political parties, as well as the Nepal Army, agreed to UNMIN's verification of 19,600 combatants, which was completed in December 2007. The tape in one sense changes very little. Those who trusted the Maoists'

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intentions will take PM Dahal's advice and disregard his taped admissions. Those who mistrusted Dahal and the Maoists feel vindicated. What is clear is that the prospects for political consensus and progress on peace process issues, particularly integration and rehabilitation of Maoist combatants, will be more difficult. UNMIN and to a lesser extent the World Bank also come out looking, at least to some, as at best gullible about Maoist intentions.

POWELL